GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2846
ANSWERED ON:17.12.2004
LIC HOUSING FINANCE LTD
Yadav Shri Baleshwar

Will the Minister of FINANCE be pleased to state:

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(a) whether LIC Housing Finance Ltd. is a separate entity and has no relation with the Life Insurance Corporation of India;

(b) if so, the details thereof alongwith the Act by which it is running its home loan business; and

(c) if not the circumstances by which the LICHFL has been allowed to impose purchasing a Life Insurance Policy of requisite amount as one of the conditions before its customers applying home loans from LICHFL?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) LIC Housing Finance Limited (LICHFL) has informed that LICHFL is a public limited . company incorporated under the Companies Act, 1956. The Company was promoted by `_` the Life Insurance Corporation of India and presently, its holding in the Company is . 33.96%.

(c) Sanction of housing loans is not linked to purchasing of Life Insurance Policy. However, till 4th December, 2004, concession was given to holders of Life Insurance Policies at the rate of 25 basis points in the rate of interest, as intimated by LICHFL.